



UNITED STATES BANKRUPTCY COURT  
Northern District of California  
U.S. Courthouse and Federal Building  
280 South First Street Room 3035  
San Jose, California 95113-3099  
(408) 535-5118

FILED

2007 JUL -3 P 4:01

RICHARD W. WIEKING  
CLERK  
U.S. DISTRICT COURT  
NO. DIST. OF CA. S.J.

Sm

Gloria L. Franklin  
Clerk of Court

Richard W. Wiking, Clerk  
United States District Court  
280 South First Street  
San Jose, CA 95113

E-FILING

C07 03483 RMW

Re: Case Name: *Sonicblue Incorporated et al*  
Case Number: *03-51775-MM through 03-51778-MM*  
Bankruptcy Judge Name: *Marilyn Morgan*

Dear Mr. Wiking:

[ ] Enclosed please find the notice of appeal, certified copy of the docket and order being appealed and related papers from BAP and designated items to form the record on appeal for assignment to a district court judge.

[X] Enclosed please find a conformed copy of the notice of appeal, election to district court document, as well as a certified copy of the docket and order being appealed for assignment to a district court judge.

[ ] Enclosed please find the record of designated items and a certificate of record for an appeal that has been previously sent to the district court.

[ ] Enclosed please find a Bankruptcy Judge's Recommendation that Appeal Be Dismissed and the Notice of Appeal and associated documents filed with the Bankruptcy Court.

Please acknowledge receipt of this appeal by stamping the district court case number on a copy of this letter and return it to Janet Dustin .

Gloria L. Franklin, Clerk  
United States Bankruptcy Court

**Janet Dustin**

Dated: July 3, 2007

By:

Janet Dustin, Deputy Clerk

1 Michael St. James, CSB No. 95653  
2 ST. JAMES LAW, P.C.  
3 155 Montgomery Street, Suite 1004  
San Francisco, California 94104  
(415) 391-7566 Telephone  
(415) 391-7568 Facsimile  
4 michael@stjames-law.com

5 Counsel for York Credit Opportunities Fund, L.P.

6

7 **UNITED STATES BANKRUPTCY COURT**  
8 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

9  
10 In re ) Case No. 03-51775 through 03-51778  
11 SONICBLUE INCORPORATED et al. ) Chapter 11  
12 Debtor. )  
13

14 **NOTICE OF APPEAL**  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 York Credit Opportunities Fund, L. P. appeals under 28 U.S.C. § 158(a) or (b) from the  
2 judgment, order or decree of the bankruptcy judge entitled "Final Order Authorizing the Retention of  
3 Alston & Bird, L.L.P. as counsel to Dennis J. Connolly, Chapter 11 Trustee" (the "Employment Order")  
4 entered in this case on the 21<sup>st</sup> day of June 2007, a copy of which is attached hereto.

5 The names of all parties to the judgment, order, or decree appealed from and the names,  
6 addresses, and telephone numbers of their respective attorneys are as follows:

7  
8 YORK CREDIT OPPORTUNITIES FUND, L.P.  
Appellant

9 Michael St. James, Esq.  
10 ST. JAMES LAW, P.C.  
11 155 Montgomery St., Suite 1004  
San Francisco, CA 94104-4117  
12 415-391-7566 (voice)  
415-391-7568 (fax)  
michael@stjames-law.com

13 Counsel for Appellant YORK CREDIT OPPORTUNITIES FUND, L.P.  
14

15 DENNIS J. CONNOLLY, Trustee  
16 Appellee

17 Counsel for Trustee  
18

19 Grant T. Stein, Esq.  
ALSTON & BIRD  
20 1201 W Peachtree St.  
Atlanta, GA 30309-3424  
21 (404) 881-7000

22 Cecily Dumas, Esq.  
23 Friedman Dumas & Springwater, LLP  
150 Spear Street, Suite 1600  
24 San Francisco, CA. 94105  
(415) 834-3800

25 Counsel for Appellee DENNIS J. CONNOLLY,TRUSTEE  
26  
27  
28

1  
2 DATED: July 2, 2007  
3  
4  
5  
6  
7  
8

ST. JAMES LAW, P.C.

9  
10 By /s/ Michael St. James.  
11 Michael St. James  
12 Counsel for YORK CREDIT OPPORTUNITIES  
13 FUND, L.P.  
14 155 Montgomery St., Suite 1004  
15 San Francisco, CA 94104-4117  
16 415-391-7566 (voice)  
17 415-391-7568 (fax)  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

If a Bankruptcy Appellate Panel Service is authorized to hear this appeal, each party has a right to have the appeal heard by the district court. The appellant may exercise this right only by filing a separate statement of election at the time of the filing of this notice of appeal. Any other party may elect, within the time provided in 28 U.S.C. § 158(c), to have the appeal heard by the district court.



1 FRIEDMAN DUMAS & SPRINGWATER LLP  
 2 CECILY A. DUMAS (S.B. NO. 111449)  
 3 150 Spear Street, Suite 1600  
 San Francisco, CA 94105  
 Telephone Number: (415) 834-3800  
 Facsimile Number: (415) 834-1044

4 ALSTON & BIRD LLP  
 5 GRANT T. STEIN  
 6 1201 West Peachtree Street  
 Atlanta, GA 30309  
 Telephone Number: (404) 881-7000  
 Facsimile Number: (404) 881-7777  
 (admitted *pro hac vice*)

7  
 8 *Attorneys for Dennis J. Connolly in His Capacity as*  
*9 Chapter 11 Trustee for SONICblue Incorporated, et al.*

10  
 11 UNITED STATES BANKRUPTCY COURT  
 12 NORTHERN DISTRICT OF CALIFORNIA  
 SAN JOSE DIVISION

13 In re

14  
 15 SONICBLUE INCORPORATED,  
 a Delaware corporation, DIAMOND  
 16 MULTIMEDIA SYSTEMS, INC.,  
 a Delaware corporation, REPLAYTV,  
 17 INC., a Delaware corporation, and  
 SENSORY SCIENCE CORPORATION,  
 18 a Delaware corporation,

19 Debtors.

Case Nos. 03-51775 through 03-51778

Chapter 11 Cases

Jointly Administered

**FINAL ORDER AUTHORIZING THE  
 RETENTION OF ALSTON & BIRD LLP  
 AS COUNSEL TO DENNIS J.  
 CONNOLLY, THE CHAPTER 11  
 TRUSTEE**

Date: June 14, 2007

Time: 1:30 p.m.

Place: 280 South First Street  
 San Jose, CA 95113

Judge: Hon. Marilyn Morgan

24 The application filed May 2, 2007 (the "Application") of Dennis J. Connolly,  
 25 the Chapter 11 Trustee (the "Trustee") in the above-captioned Chapter 11 bankruptcy cases of  
 26 SONICblue Incorporated, Diamond Multimedia Systems, Inc., ReplayTV, Inc., and Sensory  
 27 Science Corporation (collectively, the "Debtors"), requesting the authority to employ Alston  
 28 & Bird LLP ("A&B") as attorneys for the Trustee in these cases filed pursuant to Chapter 11

1 of the United States Bankruptcy Code (the "Bankruptcy Code") came on for hearing on June  
2 14, 2007 at 10:30 a.m. and 1:30 p.m. in the above-referenced court. Grant T. Stein, Alston &  
3 Bird LLP and Cecily A. Dumas, Friedman Dumas & Springwater LLP appeared on behalf of  
4 the Trustee; Michael St. James, St. James Law P.C., appeared on behalf of York Credit  
5 Opportunities Fund, L.P. ("York"); Nanette Dumas appeared on behalf of the United States  
6 Trustee; other appearances were made as noted in the record of the proceeding. The Court  
7 having found that notice of the Application was adequate under the circumstances; and the  
8 Court having entered an Interim Order approving the Application on May 8, 2007, and  
9 ordered that a hearing be held on June 14, 2007 on final approval of the Application; the  
10 Court having considered the Objection to Trustee's Proposed Counsel (the "Objection") filed  
11 by York, the Trustee's Reply Memorandum and Declaration of Dennis J. Connolly in support  
12 thereof, the Reply of the United States Trustee, York's Supplemental Objection, and the  
13 related submissions, and argument of counsel presented at the hearing; the Court having  
14 found that (1) A&B does not hold or represent an interest that is adverse to the estate and is  
15 disinterested within the meaning of the Bankruptcy Code, and (2) that the retention of A&B  
16 by the Trustee is in the best interests of the estates, it is hereby

17 ORDERED that:

18 1. The Objection is overruled;  
19 2. The Application is granted; and

20 3. The Trustee is authorized, pursuant to Sections 327(a) and 327(d) of the  
21 Bankruptcy Code, to retain A&B as of April 17, 2007, the date of the Trustee's appointment,  
22 as his attorneys in all matters relating to the performance of his duties as the Chapter 11  
23 Trustee in these cases as set forth in the Application.

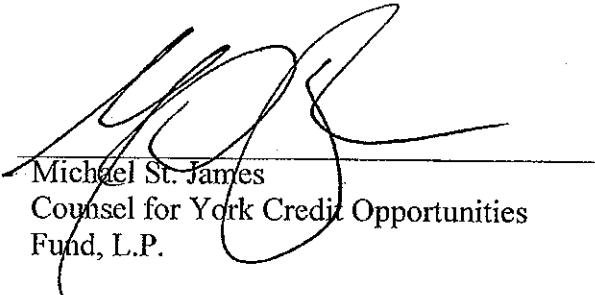
24 ///

25 ///

26 ///

27 ///

1 APPROVED AS TO FORM:  
2  
3

4 ST. JAMES LAW, P.C.  
5  
6 By:   
7 Michael St. James  
8 Counsel for York Credit Opportunities  
Fund, L.P.  
9

10 OFFICE OF THE UNITED STATES TRUSTEE  
11  
12 By: \_\_\_\_\_  
13 Nanette Dumas  
14 Counsel for the United States Trustee  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

\*\* END OF ORDER \*\*

1 APPROVED AS TO FORM:  
2

3 ST. JAMES LAW, P.C.  
4

5  
6 By: Michael St. James  
7 Counsel for York Credit Opportunities  
8 Fund, L.P.

9 OFFICE OF THE UNITED STATES TRUSTEE  
10

11 By: Nanette Dumas  
12 Nanette Dumas  
13 Counsel for the United States Trustee  
14

15  
16 \*\* END OF ORDER \*\*  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

FINAL ORDER AUTHORIZING RETENTION  
OF ALSTON & BIRD LLP  
OF ALSTON & BIRD AS COUNSEL

1                   COURT SERVIC LIST

2                   Ron Bender, Esq.  
3                   Levene, Neale, Bender, Rankin & Brill L.L.P.  
4                   10250 Constellation Blvd., Suite 1700  
5                   Los Angeles, California 90067

6                   Michael St. James, Esq.  
7                   St. James Law, P.C.  
8                   155 Montgomery Street, Suite 1004  
9                   San Francisco, CA 94104

10                  Office of the U.S. Trustee  
11                  Nanette Dumas, Esq.  
12                  280 South First Street, Room 268  
13                  San Jose, CA 95113

14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**JNTADMN, 727OBJ, PreAct, APPEAL**

**U.S. Bankruptcy Court  
Northern District of California (San Jose)  
Bankruptcy Petition #: 03-51775**

*Assigned to:* Judge Marilyn Morgan  
Chapter 11  
Voluntary  
Asset

*Date Filed:* 03/21/2003

**Debtor**  
**SONICblue Inc.**  
2600 San Tomas Expwy.  
Santa Clara, CA 95051  
Tax id: 77-0204341  
**dba**  
**S3 Inc.**

UNITED STATES BANKRUPTCY COURT  
Northern District of California  
I certify that this is a true, correct and full copy  
of the original document on file in my custody.  
Dated 7/3/07  
by Jane Dash  
Deputy Clerk



represented by **Ana N. Damonte**  
Pillsbury Winthrop Shaw Pittman  
50 Fremont St. 5th Fl.  
P.O. Box 7880  
San Francisco, CA 94120-7880  
(415) 983-1000  
Email:  
ana.damonte@pillsburylaw.com  
**TERMINATED: 03/26/2007**

**Anne E. Wells**  
Levene, Neale, Bender, Rankin and  
Brill  
10250 Constellation Blvd. #1700  
Los Angeles, CA 90067  
(310) 229-1234

**Austin K. Barron**  
Law Offices of O'Melveny and  
Myers  
400 S Hope St.  
Los Angeles, CA 90071-2899  
(213) 430-6000  
Email: abarron@omm.com

**Craig A. Barbarosh**  
Pillsbury Winthrop Shaw Pittman  
650 Town Center Dr. 7th Fl.  
Costa Mesa, CA 92626-7122  
(714) 436-6800

**Craig A. Barbarosh**  
(See above for address)  
**TERMINATED: 03/26/2007**

**Elizabeth Gehlhar**

Heritage Law Group  
99 Almaden Blvd. #710  
San Jose, CA 95113  
(408) 925-0144

**Mark D. Houle**  
Pillsbury Winthrop Shaw Pittman  
650 Town Center Dr. 7th Fl.  
Costa Mesa, CA 92626  
(714) 436-6800  
Email:  
[mark.houle@pillsburylaw.com](mailto:mark.houle@pillsburylaw.com)  
*TERMINATED: 03/26/2007*

**Mark Porter**  
Law Offices of Fenwick and West  
275 Battery St. #1500  
San Francisco, CA 94111  
(415) 875-2300  
Email: [mporter@fenwick.com](mailto:mporter@fenwick.com)

**Matthew A. Gold**  
Argo Partners  
12 W 37th St. 9th Fl.  
New York, NY 10018  
(212) 643-5444  
Email: [Tanj@argopartners.net](mailto:Tanja@argopartners.net)

**Matthew S. Walker**  
Pillsbury Winthrop Shaw Pittman  
12255 El Camino Real #300  
San Diego, CA 92130  
(619) 234-5000  
Email:  
[matthew.walker@pillsburylaw.com](mailto:matthew.walker@pillsburylaw.com)  
*TERMINATED: 03/26/2007*

**Richard A. Rogan**  
Jeffer, Mangels, Butler and  
Marmaro  
2 Embarcadero Center 5th Fl.  
San Francisco, CA 94111-3824  
(415) 398-8080  
Email: [rrogan@jmbm.com](mailto:rrogan@jmbm.com)

**Responsible Ind**  
**Marcus Smith**  
2841 Mission College Blvd.  
Santa Clara, CA 95054-1838

(408) 997-2179

**Trustee**

**Dennis J. Connolly**  
Alston & Bird, LLP  
1201 W. Peachtree St.  
Atlanta, GA 30309-3424  
(404) 881-7269

represented by **Cecily A. Dumas**

Friedman, Dumas and Springwater  
150 Spear St. #1600  
San Francisco, CA 94104  
(415) 834-3802  
Email:  
cdumas@friedumspring.com

**Grant T. Stein**

Alston and Bird  
1201 W Peachtree St.  
Atlanta, GA 30309-3424  
(404) 881-7000

**Robert E. Clark**

Friedman Dumas and Springwater  
150 Spear St. #1600  
San Francisco, CA 94105  
(415) 834-3800  
Email: rclark@friedumspring.com

**Steven M. Collins**

Law Offices of Alston and Bird  
1201 W Peachtree St.  
Atlanta, GA 30309  
(404) 881-7000

**U.S. Trustee**

**Office of the U.S. Trustee / SJ**  
U.S. Federal Bldg.  
280 S 1st St. #268  
San Jose, CA 95113-3004

represented by **Nanette Dumas**

Office of the U.S. Trustee  
280 S 1st St. #268  
San Jose, CA 95113  
(408) 535-5525  
Email: nanette.dumas@usdoj.gov

**Shannon L. Mounger-Lum**

Office of the U.S. Trustee  
280 S 1st St. #268  
San Jose, CA 95113-0002  
(408) 535-5525  
Email:  
shannon.l.mounger-lum@usdoj.gov

**Todd M. Arnold**

Levene, Neale, Bender, Rankin,  
and Brill  
10250 Constellation Blvd. #1700  
Los Angeles, CA 90067

(310) 229-1234

Email: TMA@lnbrb.com

**Creditor Committee****Official Committee of Unsecured Creditor**represented by **Anne E. Wells**

(See above for address)

**Craig M. Rankin**Levene, Neale, Bender, Rankin and  
Brill  
10250 Constellation Blvd. #1700  
Los Angeles, CA 90067  
(310) 229-1234**Mark D. Houle**

(See above for address)

**Ron Bender**Levine, Neale and Bender  
1801 Ave. of the Stars #1120  
Los Angeles, CA 90067  
(310) 551-1010  
Email: rb@lnbrb.com**Todd M. Arnold**

(See above for address)

Filing Date	#	Docket Text
06/21/2007	● <a href="#">2358</a>	Operating Report for Filing Period May 2007 Filed by Trustee Dennis J. Connolly (Attachments: # <a href="#">1</a> Exhibit A through M# <a href="#">2</a> Exhibit N through Y# <a href="#">3</a> Certificate of Service) (Dumas, Cecily) (Entered: 06/21/2007)
06/21/2007	● <a href="#">2359</a>	Order Granting Application to Employ Attorney Grant T. Stein for Dennis J. Connolly Added to the Case (Related Doc # <a href="#">2271</a> ) (jd, ) (Entered: 06/21/2007)
06/21/2007	● <a href="#">2360</a>	Order Granting Application to Employ Attorney Cecily A. Dumas for Dennis J. Connolly Added to the Case (Related Doc # <a href="#">2272</a> ) (jd, ) (Entered: 06/21/2007)
06/22/2007	● <a href="#">2361</a>	Notice of Entry of Order Regarding: <i>Final Orders Authorizing the Retention of Alston &amp; Bird LLP as Counsel and Friedman Dumas &amp; Springwater LLP as Local Counsel to Dennis J. Connolly, the Chapter 11 Trustee</i> (RE: related document(s) <a href="#">2359</a> Order Granting Application to Employ Attorney Grant T. Stein for Dennis J. Connolly Added to the Case (Related Doc # <a href="#">2271</a> ) (jd, ), <a href="#">2360</a> Order Granting Application to Employ

Attorney Cecily A. Dumas for Dennis J. Connolly Added to the Case (Related Doc # 2272) (jd, ). Filed by Trustee Dennis J. Connolly (Attachments: # 1 Exhibit A# 2 Exhibit B# 3 Certificate of Service) (Clark, Robert) (Entered: 06/22/2007)

06/25/2007	<u>2362</u>	Transcript, Date of Hearing: June 14, 2007 <i>applications to retain counsel and motion for protective order (1:36 pm - 1:55 pm)</i> . (Palmer, Susan) (Entered: 06/25/2007)
06/26/2007	<u>2363</u>	First Supplemental Document <i>Declaration of Grant T. Stein in Connection with the Employment of Alston &amp; Bird LLP as Counsel to Dennis J. Connolly, The Chapter 11 Trustee</i> in (RE: related document(s) <u>2359</u> Order on Application to Employ, <u>2271</u> Application to Employ, ). Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Certificate of Service) (Dumas, Cecily) (Entered: 06/26/2007)
07/02/2007	<u>2364</u>	Motion for <i>Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtors' Continued Employment of Marcus Smith and Nanci Salvucci</i> Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A# <u>2</u> Exhibit B# <u>3</u> Certificate of Service) (Dumas, Cecily) (Entered: 07/02/2007)
07/02/2007	<u>2365</u>	Notice and Opportunity for Hearing on <i>Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtor's Continued Employment of Marcus Smith and Nanci Salvucci</i> (RE: related document(s) <u>2364</u> Motion for <i>Chapter 11 Trustee's Application for Orders Approving Stipulations Regarding Debtors' Continued Employment of Marcus Smith and Nanci Salvucci</i> Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Exhibit A# <u>2</u> Exhibit B# <u>3</u> Certificate of Service) (Dumas, Cecily)). Filed by Trustee Dennis J. Connolly (Attachments: # <u>1</u> Certificate of Service) (Dumas, Cecily) (Entered: 07/02/2007)
07/02/2007	<u>2366</u>	Notice of Appeal to District Court , Fee Amount \$ 255. (RE: related document(s) <u>2359</u> Order on Application to Employ). Appellant Designation due by 7/12/2007. Transmission to District Court due by 8/1/2007. (Attachments: # <u>1</u> Exhibit) Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)
07/02/2007		Receipt of filing fee for Notice of Appeal(03-51775) [appeal,ntcapl] (255.00). Receipt number 4400132, amount \$ 255.00 (U.S. Treasury) (Entered: 07/02/2007)
07/02/2007	<u>2367</u>	Objection to Referral to Bankruptcy Appellant Panel (RE: related document(s) <u>2366</u> Notice of Appeal, filed by Creditor York Credit Opportunities Fund). Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)

## Case 5:07-cv-03483-RMW Document 1 Filed 07/03/2007 Page 16 of 16

07/02/2007	<a href="#"><u>2368</u></a>	Certificate of Service (RE: related document(s) <u>2366</u> Notice of Appeal,, <u>2367</u> Objection to Referral to BAP). (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	<a href="#"><u>2369</u></a>	Motion for Leave to Appeal Filed by Creditor York Credit Opportunities Fund (Attachments: # <u>1</u> Certificate of Service) (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	<a href="#"><u>2370</u></a>	Request To Take Judicial Notice <i>in Support of Motion for Leave to Appeal</i> (RE: related document(s) <u>2366</u> Notice of Appeal,, <u>2369</u> Motion for Leave to Appeal). Filed by Creditor York Credit Opportunities Fund (Attachments: # <u>1</u> Exhibit 1-4# (2) Exhibit 5 - 9# <u>3</u> Exhibit 10 - 15# <u>4</u> Exhibit 16 - 20) (St. James, Michael) (Entered: 07/02/2007)
07/02/2007	<a href="#"><u>2371</u></a>	Memorandum of Points and Authorities in Support of <i>Motion for Leave to Appeal</i> (RE: related document(s) <u>2369</u> Motion for Leave to Appeal). Filed by Creditor York Credit Opportunities Fund (St. James, Michael) (Entered: 07/02/2007)